

COMMONWEALTH OF KENTUCKY
BEFORE THE PUBLIC SERVICE COMMISSION

In the Matter of:

BARREN COUNTY GAS COMPANY AND)	
BARRY ROGERS, INDIVIDUALLY)	
_____)	CASE NO. 96-386
)	
ALLEGED VIOLATION OF KRS CHAPTER 278)	

O R D E R

On August 1, 1996, the Commission received a facsimile transmission ("fax") from Barry Rogers, owner of Barren County Gas Company ("Barren County Gas"), stating that he has been unable to secure an adequate gas supply for the Barren County Gas system. A copy of the fax is attached as Appendix A to this Order. According to Mr. Rogers, gas is available through either of two interstate gas pipelines in the area, but money is not available for Barren County Gas to make the pipeline connection. Mr. Rogers also stated in his notice that Adam Logan is in charge of the daily responsibilities of the gas system.

Barren County Gas is a distribution utility subject to Commission jurisdiction.¹ KRS 278.030(2) states, in part: "Every utility shall furnish adequate, efficient and reasonable service. . . ." KRS 278.010(12) defines adequate service, in part, as the ability "to assure (its) customers of reasonable continuity of service."

¹ In a May 16, 1994 inspection report Staff concluded that Barren County Gas was operating as a gas distribution utility. In his June 16, 1994 response Mr. Rogers accepted distribution status.

Barren County Gas's admission that insufficient gas is available to serve its customers, is prima facie evidence that Barren County Gas is and will continue to be unable to provide adequate service pursuant to KRS 278.030(2). Barren County Gas and Barry Rogers, in his individual capacity as owner of the utility, should appear at a hearing to show cause, if any can be shown, why civil penalties pursuant to KRS 278.990(1) should not be assessed for the statutory violation noted herein.

Barren County Gas, and Barry Rogers, should further show cause, if any can be shown, why Barren County Gas should not be required to cease operations and notify its customers of same before the next winter heating season based upon its lack of gas supply.

IT IS THEREFORE ORDERED that:

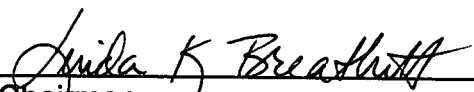
1. Barren County Gas, and Barry Rogers, in his individual capacity as owner of the utility, shall appear, represented by counsel, at a hearing scheduled before the Commission on September 24, 1996 at 10:00 a.m. E.D.T., at the Commission's offices at 730 Schenkel Lane, Frankfort, Kentucky, to show cause why civil penalties should not be assessed for failure to provide adequate service to Barren County Gas's customers and to show cause why Barren County Gas should not cease to operate as a gas supplier.

2. Within 7 days of the date of this Order, Barren County Gas shall mail to each customer of record a copy of the notice attached as Appendix B to this Order. Barren County Gas shall certify to the Commission in writing within 14 days of the date

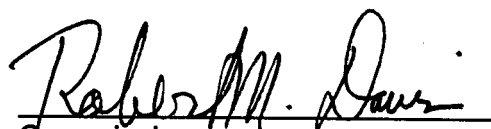
of this Order, the date upon which the mailing was made and a list of customers to whom the notice was sent.

Done at Frankfort, Kentucky, this 21st day of August, 1996.

PUBLIC SERVICE COMMISSION


Chairman


Vice Chairman


Commissioner

ATTEST:


Executive Director

APPENDIX A

APPENDIX TO AN ORDER OF THE KENTUCKY PUBLIC SERVICE
COMMISSION IN CASE NO. 96-386 DATED AUGUST 21, 1996

From: Barry Rogers Industrial Project Management Associates Fax: 913-722-2936 Voice: 913-722-2433 Tel: New Johnsonville

Page 1 of 1 Friday, August 02, 1996 9:56:55 AM

Barren County Gas Company, Inc.
P.O. Box 8341
Shawnee Mission, KS 66208-0341
913/722-2433
Fax 913/722-2936

August 1, 1996

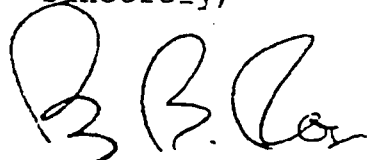
Mr. Ralph Dennis
Kentucky Public Service Commission
P.O. Box 615
Frankfort, KY 40602

Dear Ralph,

Barren County Gas has been unable to secure adequate gas supply for the system. The gas supply is available through both Tennessee Gas and Columbia Transmission but the capital required to make either connection is not available at this time.

Adam Logan is handling the daily responsibilities of the system and will respond to customer calls. He can be reached at 502/651-3165.

Sincerely,



Barry B. Rogers
President

APPENDIX B

APPENDIX TO AN ORDER OF THE KENTUCKY PUBLIC SERVICE COMMISSION IN CASE NO. 96-386 DATED AUGUST 21, 1996

NOTICE TO GAS CUSTOMERS OF BARREN COUNTY GAS COMPANY

The Public Service Commission of Kentucky has established a case which requires Barren County Gas to show cause why it should not be penalized under state law for failure to provide adequate service to its customers.

Barry Rogers, owner of Barren County Gas, has notified the PSC that an adequate supply of gas does not exist for the gas system for the upcoming winter heating season. Mr. Rogers has indicated that a supply of gas may be available via interstate gas pipelines, but Barren County Gas does not have the financial resources necessary to connect this system to an interstate pipeline.

As a result of the PSC proceeding, Barren County Gas could be ordered to cease operations prior to the upcoming winter heating season should an alternative gas supply not be secured. Customers are advised to plan accordingly for a possible disruption in their gas service.

A hearing is scheduled on September 24, at 10:00 a.m. E.D.T., at the PSC offices, 730 Schenkel Lane, Frankfort, Kentucky 40601. Customers may wish to attend this hearing or submit written comments to the PSC which are pertinent to this case.

If customers have any questions regarding their gas supply or service, they should contact Barry Rogers at 913-722-2433, or Adam Logan at 502-651-3165.